

2-3-51

AGREEMENT

Contract No. 1 149  
Ind. 8667

WHEREAS, the Secretary of the Interior has heretofore approved a vanadium-uranium mining lease, dated December 20, 1949, entered into by and between Walter O. Olson, Acting General Superintendent, lessor, and Koley Black covering certain lands on the Navajo Reservation in the State of Arizona, containing 640 acres as per description attached to the lease, and

WHEREAS, on the 20th day of December, 1949 the lessee, Koley Black did assign a three fourths interest in and to said lease to F. A. Sitton, which assignment was duly approved by the Department of Interior, Bureau of Indian Affairs on March 23, 1950, and

WHEREAS, the interest received by F. A. Sitton has been duly assigned to F. A. Sitton, Inc., a Colorado corporation licensed to do business in the State of Arizona, which assignment has been duly approved by the Department of Interior, Bureau of Indian Affairs, on January 8, 1951, and

WHEREAS, the original lessee, Koley Black, the owner of a one-fourth interest is unable to contribute his share of working capital, and

WHEREAS, F. A. Sitton, Inc. has offered to contribute all working capital and to pay the original lessee, Koley Black a five percent royalty from the entire production upon said lease in lieu of accounting and settlements under the existing ownership.

NOW, THEREFORE, in consideration of the premises and in consideration of the sum of One and no/100 (\$1.00) Dollar and other good and valuable considerations, which is hereby acknowledged by the said Koley Black, the owner of one-fourth interest in the above described lease,

Parties agree as follows:

1. Koley Black agrees to accept the five percent royalty on the value of all merchantable ores mined and recovered in accordance with applicable regulations of the Atomic Energy Commission, f.o.b. premises with freight, freight allowance and bonus development, if any, excluded in lieu of other rent or payment of his ownership of the one-fourth interest in said claims, and in calculating royalty the price schedule of ores applicable under the regulations of the Atomic Energy Commission, if any, and the price schedule in determining the royalty to the Navajo Tribe of Indians shall prevail.

2. Royalty payments shall be made when the proceeds of sale of ores are obtained, and if ore is milled by F. A. Sitten, Inc. payments shall be made monthly and shall be based on the value of the ores at the premises.

3. Existing ownership is not altered or changed and this agreement shall be in full force and effect for a period of eight years and thereafter for successive eight year period until cancelled by either party upon one years written notice prior to expiration of said eight year period.

IN WITNESS whereof the parties have hereunto set their hands and seals this 3rd day of ~~January~~, 1951.

*February*

Koley Black

F. A. SITTON, INC.

By Thomas C. Vetter, Secy.

STATE OF Colorado )  
COUNTY OF Dolores )<sup>ss</sup>

Before me, a notary public, in and for said county and State on the 3rd day of February, 1951 personally appeared Koley Black, to me known to be the identical person who subscribed the foregoing instrument, and acknowledged to me that he executed the same as his free and voluntary act and deed, for the uses and purposes therein set forth.

Margaret M. Hudson  
Notary Public

My Commission Expires:  
May 20th - 1953

STATE OF Colorado )  
COUNTY OF Dolores )<sup>ss</sup>

Before me, a notary public, in and for said county and State on this 3rd day of February, 1951 personally appeared Thomas G. Vetter to me known to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its Secretary and acknowledged to me that he executed the same as his free and voluntary act and deed, and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

My Commission Expires:  
May 20th - 1953

Margaret M. Hudson  
Notary Public